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NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION
OF BLUE JAY WIRELESS, LLC
FOR DESIGNATION AS A WIRELESS
ELIGIBLE TELECOMMUNICATIONS
CARRIER IN THE STATE OF ARIZONA

Docket No. T-20853A-12-0316

**VERIFIED APPLICATION OF BLUE JAY WIRELESS, LLC FOR
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

Blue Jay Wireless, LLC ("Blue Jay" or the "Company"), by its counsel, respectfully submits this Application for Designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act") and Section 54.201 *et seq.* of the Rules of the Federal Communications Commission ("FCC"). Blue Jay requests that the Arizona Corporation Commission ("Commission") grant it designation as a wireless ETC in Arizona for the sole purpose of receiving federal universal service Lifeline support in the geographic areas specified in this Application. Blue Jay does not request ETC status for the purpose of receiving support from any of the other Universal Service Funds ("USF").

As discussed in more detail below, Blue Jay meets the statutory and regulatory requirements for designation as an ETC and is able and prepared to offer the Lifeline-supported services throughout the State of Arizona. Granting ETC status to Blue Jay will benefit the public

interest by making the Company's services available to a broad range of low-income consumers. Because the availability of Blue Jay's services so clearly serves the interests of Arizona consumers, Blue Jay respectfully requests that the Commission grant this application expeditiously. In support of this Application, Blue Jay provides the following information:

I. THE APPLICANT.

Blue Jay is a Texas limited liability company with principal offices at 5010 Addison Circle, Addison, TX 75001. The Company is preparing a registration with the Arizona Secretary of State as a foreign limited liability company operating in Arizona.

Blue Jay will operate as a common carrier, providing wireless mobile phone services to consumers across the United States, including those in the State of Arizona. Blue Jay will provide domestic and international voice and data services, primarily to low-income consumers. As a reseller of wireless services, Blue Jay will purchase wireless network infrastructure and wireless transmission facilities from Sprint and Verizon Wireless on a wholesale basis and resell these services to its customers.¹ Blue Jay will provide affordable prepaid mobile phone service, including calling and text messaging, along with user-friendly handsets and high quality customer service. Blue Jay's products and plans will be specially geared toward serving lower income communities, and its service models and pricing plans will reflect this mission. The Company will not require service contracts from its customers and it will always ensure competitive low pricing for its services and products. By providing affordable service, Blue Jay can reach out to those who are often ignored by traditional carriers.

Blue Jay will manage and market all aspects of the customer experience, including setting service pricing, handset selection, marketing materials, and live customer service. The

¹ Blue Jay will purchase the services of Sprint and Verizon Wireless through a Mobile Virtual Network Enabler (MVNE) intermediary – Natel Networks, LLC.

Company's prepaid, budget-friendly pricing will give many low-income consumers the option of having basic mobile phone service without the burden of hidden costs, varying monthly charges, or contractual commitments. Customers will be able to customize their mobile phone service to suit their needs with Blue Jay's pay-as-you-go rechargeable mobile phone plans.

Blue Jay's customer base will likely be low-income consumers and the majority is unlikely to have phone service of any kind prior to enrollment. Blue Jay's customers will depend on and benefit greatly from Blue Jay's inexpensive and flexible pricing plans. Blue Jay will not impose credit checks nor will it require any deposits or contractual commitments. Most of Blue Jay's customers will likely turn to Blue Jay because they cannot afford the postpaid services provided by traditional wireless carriers. Blue Jay will affirmatively reach out to the low-income sector of the consumer base to offer attractive and affordable communications options. As such, Blue Jay will contribute to the expansion of mobile wireless services for low-income consumers and intends to seek ETC designation in states and territories so that it may continue to expand the service options for low-income consumers.

II. BLUE JAY'S PROPOSED ETC OPERATIONS AND QUALIFICATIONS.

1. Authority for Designation of Eligible Telecommunications Carriers.

Section 214(e)(2) of the Act provides that, upon request and consistent with the public interest, convenience and necessity, the Commission may designate more than one common carrier as an ETC in areas served by a rural telephone company and shall do so with respect to all other areas, provided that the requesting carrier (i) offers services that are supported by federal universal service support mechanisms; and (ii) advertises the availability of such services.² Commission rules, as well as those of the FCC, impose additional requirements on a carrier

² 47 U.S.C. §214(e)(2). *See also* 47 C.F.R. § 54.201(d).

requesting ETC designation. As demonstrated below, Blue Jay more than satisfies each of these requirements.

2. Blue Jay Will Operate as a Common Carrier.

Blue Jay will operate as a common carrier as defined in 47 U.S.C. § 153(10) and thus is eligible for designation as an ETC. The FCC has consistently held that providers of wireless services are to be treated as common carriers for regulatory purposes. Moreover, Section 332(c)(1)(A) of the Act states that CMRS providers will be regulated as common carriers.³

3. Blue Jay Will Provide the Services Designated for Support.

The FCC has identified the following as supported services, which are to be offered by an ETC and will be supported by the federal USF program:

- voice grade access to the public switched network
- local usage
- access to emergency services
- toll limitation for qualifying low-income consumers

Upon receiving the requested designation as an ETC, Blue Jay will provide each of these required services, as described in more detail below, throughout its designated service area.⁴

The Company will provide service via resale of underlying carrier services provided by Verizon Wireless and Sprint. Section 214(e)(1)(A) of the act provides that an ETC must provide services “using its own facilities or a combination of its own facilities and resale of another carrier’s services.”⁵ Pursuant to the FCC’s recent decision reforming the Lifeline program, however, resellers are granted blanket forbearance from this facilities requirement, subject to

³ See 47 U.S.C. § 332(c)(1)(A).

⁴ Blue Jay’s Lifeline Service offerings will be provided pursuant to the Company’s established rates, as provided in this Application, and its terms and conditions of service, which Blue Jay will provide to the Commission prior to initiating operations. Blue Jay will offer Lifeline subscribers attractive voice telephony service plans. The Company’s Lifeline subscribers will be eligible to receive the same service plans that Blue Jay generally will make available to the public.

⁵ 47 U.S.C. § 214(e)(1)(A).

conditions, in connection with limited ETC designation to participate in the Lifeline program.⁶ The FCC conditioned blanket forbearance on the petitioner's compliance with certain ETC obligations including: providing 911 and E911 service regardless of activation status and prepaid minutes available; providing E911-compliant handsets and replacing non-compliant handsets, at no charge to the consumer, for Lifeline customers upon the effective date of the *Lifeline Reform Order*.⁷

In addition, petitioners are required to file and have approved, a compliance plan that includes specific information about the petitioner's service offerings and that outlines the measures that the petitioner will take to implement the obligations established in the *Lifeline Reform Order*, as well as other measures to prevent waste, fraud and abuse that the FCC may deem necessary.⁸ Blue Jay commits to compliance with all of these conditions and, to this end, on May 11, 2012 submitted to the FCC a compliance plan that meets the requirements of the *Lifeline Reform Order*. On July 5, 2012, Blue Jay filed a revised compliance plan with the FCC. A copy of this revised plan is appended as Exhibit A. Upon FCC approval of its compliance plan, Blue Jay will not be required to meet the "own facilities" requirement of Section 214(e)(1)(A). Consequently, the Company's proposal to operate as an ETC in Arizona using resold services will be entirely compliant with FCC requirements.

Pursuant to its ETC designation, Blue Jay will provide supported services as follows:

⁶ See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report And Order and Further Notice Of Proposed Rulemaking, FCC 12-11, ¶ 368 (Feb. 6, 2012) ("*Lifeline Reform Order*").

⁷ *Id.*, at ¶ 373.

⁸ *Id.*, at ¶ 368.

Voice Grade Access.

The FCC has stated that voice-grade access consists of the ability for a user to make and receive telephone calls within a specified bandwidth.⁹ Blue Jay will provide this via resale of Verizon Wireless and Sprint mobile services to low-income customers in its designated service area.

Local Usage.

The FCC's rules require an applicant for ETC designation to demonstrate that its proposed local usage plan is comparable to one offered by the ILEC in the same designated service area. The determination of comparability requires a case-by-case review, taking into account value-added capabilities and services included within a service plan.

Blue Jay will offer two basic Lifeline service packages throughout its designated service area in Arizona. As described below, each plan offers a set number of minutes of local service free of charge to its subscribers:

- **125 anytime prepaid minutes per month**, with rollover and with text messaging assessed at a rate of 1 minute per text message for sending and one minute per text message for receiving text messages, at no charge;
- **250 anytime prepaid minutes per month**, without rollover and with text messaging assessed at a rate of 1 minute per text message for sending and one minute per text message for receiving text messages, at no charge.

Both plans will include nationwide domestic long-distance at no extra per minute charge, as well as Caller ID, Voice Mail, Call Waiting and Three-Way Calling. Therefore, Blue Jay's usage plan is different from but comparable to one offered by the ILEC in the same designated service area. Customer service (611) and emergency (911) calls will all be free, regardless of service activation or availability of minutes, and will not count against the customer's airtime.

⁹ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, First Report and Order, 12 FCC Rcd 8776, 8810-11 (May 8, 1997).

Directory assistance calls (411) will be free; however, they will count as airtime minutes of usage. Lifeline customers can purchase additional bundles of minutes for as low as \$0.05/minute depending on the minute package purchased. For example, customers can purchase a 200 minute package for \$10.00. Airtime “top-up” minutes will be available for purchase at the Company’s retail locations and on its website.

In addition to free voice services, customers can select either a free wireless handset or purchase an upgraded phone, such as a smartphone. For those customers choosing to upgrade to a smartphone, data can be added to any phone plan starting at \$1.25 per megabyte – a price that can be reduced on a “per megabyte” basis when the customer purchases multiple megabytes of data. The Company will also allow low-income customers to add affordable data usage to their free voice/text minutes thereby supporting greater smartphone utilization, consistent with the Commission’s goal of promoting broadband access to all Americans.

Additional information regarding the Company’s plans, rates and services can be found on its website www.bluejaywireless.com.

Access to emergency services.

The Company will provide access to emergency services provided by local government or public safety officials, including 911 and E911 where available and will comply with any FCC or Commission requirements regarding E911-compatible handsets. As discussed further in Blue Jay’s enclosed Compliance Plan, Blue Jay will comply with the FCC’s forbearance grant conditions relating to the provision of 911 and E911 services and handsets. Calls to 911 emergency services will always be free and will be available regardless of service activation status or availability of minutes.

Toll limitation for qualifying low-income consumers.

In its initial operations, Blue Jay will not provide toll limitation service (“TLS”). Like most wireless carriers, Blue Jay does not differentiate domestic long distance usage from local usage and all usage is paid for in advance. Pursuant to the *Lifeline Reform Order*, subscribers to such “all-distance” services are not considered to have voluntarily elected to receive TLS.¹⁰ If, in future, Blue Jay should offer a Lifeline service which differentiates between local usage and long distance usage, the Company commits to provide TLS to customers of that service.

4. Advertising the Availability of Blue Jay’s Universal Service Offerings.

Blue Jay will advertise the availability of its service and charges in a manner reasonably designed to reach Lifeline-eligible consumers and will comply with the FCC’s revised rules regarding information to be included in advertisements.¹¹ The Company intends to advertise its Lifeline services using media such as newspapers of general circulation, and radio and television, as a means of reaching those consumers that are likely to qualify for Lifeline services. Blue Jay will use these advertising media to advertise the availability of its services to Lifeline customers and will expand its advertising efforts if necessary to ensure that Lifeline-eligible customers are aware of the service offerings.¹² Blue Jay will ensure that all of its Lifeline advertising materials comply with the FCC’s revised rule section 54.405(c) once that rule takes effect. Specifically, Blue Jay’s advertising materials will state, in easily understood language, that: (i) the service is a Lifeline service; (ii) Lifeline is a government assistance program; (iii) the service may not be transferred to someone else; (iv) consumers must meet certain eligibility requirements before enrolling in the Lifeline program; (v) the Lifeline program permits only one Lifeline discount per household; (vi) that documentation is necessary for enrollment; (vii) Blue Jay is the provider of

¹⁰ See *Lifeline Reform Order*, ¶ 230.

¹¹ 47 C.F.R. §§ 54.201(d)(2), 54.405(b).

¹² See 47 C.F.R. § 54.405(b).

the services and (viii) Blue Jay's Lifeline application/certification form¹³ will state that consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the program. Blue Jay's Compliance Plan contains an example of the type of advertising materials that Blue Jay intends to use in Arizona.

5. Compliance with Additional ETC Obligations.

Blue Jay has the ability to remain functional in emergency situations.¹⁴

As discussed herein, Blue Jay will utilize the Sprint and Verizon Wireless networks to provide Blue Jay's mobile services. The Company has access to the extensive and well-established Sprint and Verizon Wireless network and facilities and believes that the Sprint and Verizon Wireless networks are capable of managing traffic spikes that may occur during emergency situations and can reroute traffic in the event of damaged facilities. Blue Jay also understands that Sprint and Verizon Wireless have sufficient back-up power to ensure functionality if its external power supply is unavailable.

Blue Jay will satisfy applicable consumer protection and service quality standards.

The FCC has stated that a wireless applicant's commitment to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service ("CTIA Consumer Code") will satisfy this consumer protection and service quality requirement. Blue Jay intends to fully comply with applicable consumer protection requirements and commits to comply with the CTIA Consumer Code. Blue Jay agrees to comply with the CTIA Consumer

¹³ See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Erratum, ¶ 63 (rel. May 16, 2012).

¹⁴ See, e.g., 47 C.F.R. § 54.202(a)(2).

Code to ensure it offers its subscribers the highest level of protection and quality service.¹⁵ Blue Jay's pledge to provide quality service and voluntarily to comply with this code evidences its commitment to satisfying all of the applicable consumer protection and service quality standards. The Company will make every effort to resolve complaints received by the Commission and will designate a specific contact person to work with Commission staff to resolve any complaints or other compliance issues.

Blue Jay is financially and technically capable of providing Lifeline services in compliance with the FCC's rules

The FCC's rules, as revised,¹⁶ require ETC petitioners to demonstrate financial and technical capability to comply with the FCC's Lifeline service requirements.¹⁷ Among the factors to be considered are: a carrier's prior offering of service to non-Lifeline subscribers, the length of time the carrier has been in business, whether the carrier relies exclusively on Lifeline reimbursement to operate, whether the carrier receives revenues from other sources and whether the carrier has been the subject of an enforcement action or ETC revocation proceeding.

Through its affiliates, Blue Jay has provided marketing services, including those directed to low-income customers, since 2004. One of the Company's affiliates, Splash Media, LP, is among the largest providers of full-service social media marketing services in the world. Another affiliate, Link Distributors, LLC, is a leading distributor of wireless handsets and Lifeline enrollment for ETCs. Both businesses have substantial revenues with long-term profitability, are in good standing with all of their vendors and have been providing customers with services for a combined nine years. As a core part of its marketing strategy, Blue Jay will be actively marketing to non-Lifeline customers targeting the prepaid, credit challenged and

¹⁵ See, e.g., 47 C.F.R. § 54.202(a)(3).

¹⁶ See, e.g., revised FCC rule Section 54.202(a)(4).

¹⁷ Lifeline Reform Order, ¶¶ 387-388 (revising Commission rule 54.202(a)(4)).

underbanked sector, and, consequently, will not be relying exclusively on Lifeline reimbursement for the Company's operating revenues. Blue Jay also has access to other financial resources including substantial cash reserves from its owners. The Company has not been subject to enforcement sanctions or ETC revocation proceedings in any state.

Certification and Verification Issues.

Blue Jay is aware of the FCC's current requirements regarding certification and verification of a customer's qualification for Lifeline service and has implemented procedures to ensure the requirements are met. As described in Blue Jay's compliance plan, filed on May 11, 2012 (revised July 5, 2012), Blue Jay has detailed and comprehensive procedures in place to address customer certification and verification requirements as well as those requirements addressing de-enrollment and duplication of service. These procedures comply with the FCC's recently-revised customer certification and verification requirements.¹⁸ Blue Jay also will comply with the FCC's annual certification and reporting requirements as well as the FCC's measures to prevent waste, fraud and abuse of Lifeline services.¹⁹ In particular, Section E of Blue Jay's Compliance Plan discusses steps that the Company will take to ensure activation of service and to implement de-enrollment in the event of inactivity for a period of sixty days.

Other ETC Compliance Obligations.

Blue Jay will not collect service deposits for its plans and will not charge a number-portability fee, including for Lifeline accounts.²⁰ Blue Jay will timely pay all applicable federal, state, and local regulatory fees, including universal service and E911 fees.

¹⁸ 47 C.F.R. § 54.410.

¹⁹ 47 C.F.R. §§ 54.416, 54.422; *See also In re: Telecommunications Carriers Eligible for Universal Service Support; Virgin Mobile USA, L.P. Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama, et al.*, 25 FCC Rcd 17797, ¶ 24 (2010) ("2010 Virgin Mobile ETC Order").

²⁰ *See* 47 C.F.R. § 54.401(c), (e).

Finally, Blue Jay will comply with all requirements for wireless ETCs contained in Arizona law and Commission Rules and Decisions, including Commission Decision No. 67941, consistent with the FCC's revised rules.

6. The Public Interest Will Be Served by Grant of This Application.

Designation of Blue Jay as an ETC for Lifeline purposes will further the Commission's universal service goals and thus benefit Arizona consumers. Specifically, the Company will offer prepaid low cost wireless service to low-income consumers, thereby increasing consumer choice by enabling the entry of a provider offering affordable telecommunications services to low-income consumers. Further, grant of the application will provide consumers with access to high quality service and the benefits of a mobile service.²¹ The mobility of the service will be particularly attractive to Lifeline-eligible consumers who may frequently change residences or work in migratory jobs. Wireless service therefore offers a stable contact method where traditional landline service would be unavailable or not a viable option. Blue Jay's prepaid wireless service is an especially attractive option for low-income consumers because it alleviates customer concerns regarding hidden costs, varying monthly charges and long term contract issues.

In the current economy, many consumers in Arizona are faced with making difficult choices about how to allocate and spend their limited resources. The ability to meet their communications needs while at the same time anticipating and controlling the associated costs is critical. Blue Jay's prepaid service offerings and rechargeable mobile phone plans will enable customers to tailor their wireless services to their needs and budgets and the prepaid nature of the service also will provide an alternative for "unbanked" consumers. Further, Blue Jay will not

²¹ As discussed above, Blue Jay will comply with the Consumer Code for Wireless Service of CTIA – The Wireless Association.

impose credit checks thereby providing an alternative for those low-income consumers unable to obtain credit for post-paid services provided by traditional carriers.

Blue Jay's prepaid mobile calling service packages will provide low-income consumers in Arizona with a generous number of anytime minutes at low cost to the consumers as well as 911 emergency calling. These low cost minutes and services are an invaluable resource for cash-strapped consumers who may be seeking employment and need a means to contact potential employers. The packages are also useful for those consumers that need the ability to stay in touch with children or other family members as well as to contact 911 emergency services when needed. Blue Jay's services will provide consumers with a valuable alternative for obtaining telephone service and this competition in turn could spur other service providers to improve their service options.

7. Proposed Service Area.

Sections 214(e)(2) and 214(e)(5) of the Act provide that ETC designations shall be made for a "service area," defined as a geographic area established by the state commission. The Company seeks certification to operate as an ETC in the geographic service areas where its underlying carriers, Sprint and Verizon Wireless, provide coverage, with the exception of Federally-Recognized Tribal Lands located within the State of Arizona.²² Additional detail will be provided through a supplement to this Application upon confirmation of the zip codes or wire centers included in the coverage area.

²² Consistent with FCC holdings, there is no need for a "creamskimming" analysis in connection with Blue Jay's Application because the Company is seeking ETC designation only for purposes of receiving federal low-income support. *See, e.g., Virgin Mobile USA, L.P.*, Order, 24 FCC RCD 3381, ¶ 39 n. 101 (2009).

III. LEGAL AUTHORITY.


The Arizona Corporation Commission has jurisdiction of this matter pursuant to the provisions of 47 U.S.C. § 214.

IV. CONCLUSION.

Blue Jay respectfully requests that the Commission expeditiously issue an order designating the Company as an ETC in Arizona throughout the service area specified above for the purpose of receiving federal support and reimbursement for provision of low-income communications services on a wireless basis to qualified low-income customers.

RESPECTFULLY SUBMITTED this 9th day of July, 2012

BLUE JAY WIRELESS, LLC

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COPIES of the foregoing, hand-delivered/mailed
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By Mary Ippolito

VERIFICATION

VERIFICATION

STATE OF TEXAS)
) ss.
County of Dallas)

I, David A. Wareikis, being first duly sworn upon oath, depose and say that I am the Chief Executive Officer of Blue Jay Wireless, LLC, and as such am authorized to make this verification on its behalf; that I have read the foregoing Application; that I know the contents thereof; and that the matters stated in the foregoing Application are true and correct to the best of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

David A. Wareikis

Subscribed and sworn to before me this 6 day of July, 2012.

Kandice Hughes
Notary Public

My Commission expires: March 8, 2014

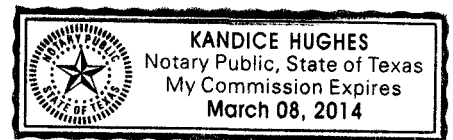


Exhibit A

Blue Jay Wireless, LLC

FCC Compliance Plan

(filed May 11, 2012; revised July 5, 2012)

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of	
Telecommunications Carriers Eligible to Receive Universal Service Support	WC Docket No. 09-197
Lifeline and Link Up Reform and Modernization	WC Docket No. 11-42
Blue Jay Wireless, LLC	

BLUE JAY WIRELESS, LLC COMPLIANCE PLAN

Blue Jay Wireless, LLC (“Blue Jay” or the “Company”),¹ through its undersigned counsel, hereby respectfully submits and requests expeditious treatment of its Compliance Plan outlining the measures it will take to implement the conditions imposed by the Commission in its *Lifeline Reform Order*.²

¹ The Company hereby also reports its corporate and trade names, identifiers, and its holding company, operating companies and affiliates as: Link Distributors, LLC (affiliate), Cardinal Wireless Distributors, LLC (affiliate), Timber Creek Wireless Fund I, LLC (affiliate), Splash Media, LP (affiliate), Agency Matrix, LLC (affiliate), Drivers Insurance Group, LLC (affiliate), Cobalt Real estate Services, LLC (affiliate), P.C. Processing, Inc. (affiliate), Team Systems, LLC (affiliate), LeadStart, LLC (affiliate), CenCal Holdings, LLC (affiliate), Timber Creek Capital, LP (affiliate) and Timber Creek Ranch, LP (affiliate).

² See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report And Order and Further Notice Of Proposed Rulemaking, FCC 12-11 (Feb. 6, 2012) (“*Lifeline Reform Order*”). The Company herein submits the information required by the Compliance Plan Public Notice. See *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197, 11-42, Public Notice, DA 12-314 (rel. Feb. 29, 2012).

The Company commends the Commission's commitment to a nationwide communications system that promotes the safety and welfare of all Americans, including Lifeline customers. The Company will comply with 911 requirements as described below and it is submitting this Compliance Plan in order to qualify for blanket forbearance from the facilities requirement of section 214(e)(1)(A) of the Communications Act and participate as an eligible telecommunications carrier ("ETC") in the Lifeline program.³

The Company will comply fully with all conditions set forth in the *Lifeline Reform Order*, as well as with the Commission's Lifeline rules and policies more generally.⁴ This Compliance Plan describes the specific measures that the Company intends to implement to achieve these objectives. Specifically, this Compliance Plan: (1) describes the specific measures that the Company will take to implement the obligations contained in the *Lifeline Reform Order*, including the procedures the Company will follow in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the Low-Income Fund, materials related to initial and ongoing certifications and sample marketing materials; and (2) provides a detailed description of how the Company will offer Lifeline

³ See *Lifeline Reform Order*, ¶ 368. Although the Company qualifies for and seeks to avail itself of the Commission's grant of forbearance from the facilities requirement of section 214(e)(1)(A) for purposes of the federal Lifeline program, the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state for purposes of state universal service funding under state program rules and requirements. The Company will follow the requirements of the Commission's Lifeline rules and this Compliance Plan in all states in which it provides Lifeline service and receives reimbursements from the federal Low-Income Fund, including in any state where the public utilities commission determines that Blue Jay provides service using its own facilities for purposes of a state universal service program.

⁴ In addition, this Compliance Plan is consistent with the compliance plan filed by Global Connection Inc. of America. See Global Connection of America Inc. Compliance Plan, WC Docket Nos. 09-197, 11-42 (Apr. 30, 2012). The Global Connection compliance plan was approved on May 25, 2012. See Public Notice, DA 12-828.

services, the geographic areas in which it will offer services, and a detailed description of the Company's Lifeline service plan offerings.

ACCESS TO 911 AND E911 SERVICES⁵

Pursuant to the *Lifeline Reform Order*, forbearance is conditioned upon the Company: (1) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; and (2) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services.⁶ The Company will comply with these conditions on the first day that it begins providing service.

The Company will provide its Lifeline customers with access to 911 and E911 services immediately upon activation of service. The Commission and consumers are hereby assured that all Company customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from Company handsets, even if the account associated with the handset has no minutes remaining.

The Company will use Sprint Nextel and Verizon Wireless its underlying wireless network providers/carriers through a Mobile Virtual Network Enabler (MVNE) intermediary – Natel Networks, LLC ("Natel Networks"). Sprint Nextel and Verizon Wireless will route 911 calls from the Company's customers in the same manner as 911 calls from their own retail customers. To the extent that these underlying wireless network providers/carriers are certified in a given PSAP territory, this 911 capability will function

⁵ See Compliance Plan Public Notice at 3.

⁶ See *Lifeline Reform Order*, ¶ 373.

the same for the Company. The Company will also enable 911 emergency calling services for all properly activated handsets regardless of whether the account associated with the handset is active or suspended. Finally, the Company will transmit all 911 calls initiated from any of its handsets even if the account associated with the handset has no remaining minutes.

E911-Compliant Handsets. The Company will ensure that all handsets used in connection with the Lifeline service offering are E911-compliant. All of the Company's phones will be E911-capable handsets. The Company will use phones from suppliers that have been through a stringent certification process to ensure that the handset models used meet all 911 and E911 requirements. As a result, any new customer that qualifies for and enrolls in the Lifeline program is assured of receiving a 911/E911-compliant handset as well, free of charge.

COMPLIANCE PLAN

I. PROCEDURES TO ENROLL A SUBSCRIBER IN LIFELINE⁷

A. Policy

The Company will comply with the uniform eligibility criteria established in new section 54.409 of the Commission's rules, as well as any additional certification and verification requirements for Lifeline eligibility in states where the Company is designated as an ETC.

Therefore, all subscribers will be required to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines for a household of that size; or (2) the household's participation in one of the federal assistance

⁷ See Compliance Plan Public Notice at 3.

programs listed in new sections 54.409(a)(2) or 54.409(a)(3) of the Commission's rules.

In addition, through the certification requirements described below, the Company will confirm that the subscriber is not already receiving a Lifeline service and no one else in the subscriber's household is subscribed to a Lifeline service.

B. Eligibility Determination

Blue Jay will qualify and enroll Lifeline customers through five primary input channels including: 1) Internet/Web Form Transaction, 2) Store and Field Form Transaction, 3) Toll-Free Facsimile Form Transaction, 4) USPS Mail Form Transaction and 5) Voice/IVR Form Transaction. Regardless of which channel the customer uses to apply for service, each customer will receive the same disclosures, be required to supply the same information and make the same certifications via Blue Jay's standard application/certification form (discussed further below and provided in Exhibit A.

As part of its enrollment process, Blue Jay will route all enrollment documentation through a common validation backbone that will perform five relevant verification checks in real-time before approving qualifying subscribers for Lifeline service. These five checks are: 1) Service Availability Verification (validates the availability of service to qualifying subscribers through a database of approved Blue Jay service areas); 2) Service Address Verification (validates the service address of qualifying subscribers through USPS and/or Melissa databases); 3) Non-Duplicate Subscriber Verification (confirms internal non-duplicate status of qualifying subscribers by a combination of name, address, telephone number, date of birth and last four digits of Social Security number); 4) Identity Verification (validates the identity of qualifying subscribers through viewing government-issued identification or Lexis Nexis); and 5) Eligibility Verification (where available,

validates the eligibility of qualifying subscribers through state-specific and program-specific Internet databases). In the event that such web services are unavailable or the qualifying subscriber shows proof of eligibility via physical documentation, Blue Jay will note the type of documentation presented; the timestamp of presentation; the Blue Jay employee, agent or representative (“Company personnel”) to whom the documentation was presented; and the deletion timestamp (for documentation that was physically received by Blue Jay). When available, Blue Jay will validate the eligibility and non-duplication of qualifying subscribers through the national database.

The manner in which the sales will be made will be slightly different, but the obligations imposed by the new rules will be addressed directly by Blue Jay. All employees will be thoroughly trained on the enrollment process to ensure all five relevant verification checks are made before approving qualified subscribers for Lifeline service.

If the Company cannot determine a prospective subscriber’s eligibility for Lifeline by accessing income databases or program eligibility databases, Company personnel will review documentation establishing eligibility pursuant to the Lifeline rules.⁸ All personnel who interact with current or prospective customers will be trained to assist Lifeline applicants in determining whether they are eligible to participate based on the federal and state-specific income-based and/or program-based criteria. These personnel will be trained to answer questions about Lifeline eligibility, and will review required documentation to determine whether it satisfies the *Lifeline Reform Order* and state-specific eligibility requirements using state-specific checklists.

⁸ See *Lifeline Reform Order*, ¶ 100; section 54.410(b)(1)(i)(B), 54.410(c)(1)(i)(B).

Proof of Eligibility. Company personnel will be trained on acceptable documentation required to establish income-based and program-based eligibility.⁹ Acceptable documentation of program eligibility includes: (1) the current or prior year's statement of benefits from a qualifying state, federal or Tribal program; (2) a notice letter of participation in a qualifying state, federal or Tribal program; (3) program participation documents (e.g., the consumer's Supplemental Nutrition Assistance Program (SNAP) electronic benefit transfer card or Medicaid participation card (or copy thereof)); or (4) another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.¹⁰

Acceptable documentation of income eligibility includes the prior year's state, federal, or Tribal tax return; current income statement from an employer or paycheck stub; a Social Security statement of benefits; a Veterans Administration statement of benefits; a retirement/pension statement of benefits; an Unemployment/Workmen's Compensation statement of benefits; federal or Tribal notice letter of participation in General Assistance; or a divorce decree, child support award, or other official document containing income information for at least three months time.¹¹

Company personnel will examine this documentation for each Lifeline applicant, and will record the type of documentation used to satisfy the income- or program-based criteria by checking the appropriate box on the application form.¹² In addition, Company personnel will fill in, where available, the last four digits of an account or other identifying

⁹ See *Lifeline Reform Order*, ¶ 101. See also USAC Guidance available at <http://www.usac.org/li/telecom-carriers/step06/default.aspx>.

¹⁰ *Id.* and section 54.410(c)(1)(i)(B).

¹¹ See *Lifeline Reform Order*, ¶ 101; section 54.410.(b)(1)(i)(B).

¹² See *Lifeline Reform Order*, ¶ 101; sections 54.410(b)(1)(iii), 54.410(c)(1)(iii).

number on the proof document, the date of the proof document and the expiration of the proof document. The Company will not retain a copy of this documentation, except where state rules require such retention.¹³ For customers enrolled via the Internet, Toll-Free Facsimile, USPS Mail, or Voice/IVR, the customer will be required to fax or e-mail proof of eligibility documentation to the Company. Proof will be reviewed by Company personnel prior to service activation and then deleted. Where the Company personnel conclude that proffered documentation is insufficient to establish such eligibility, the Company will deny the associated application and inform the applicant of the reason for such rejection. In the event that Company personnel cannot ascertain whether documentation of a specific type is sufficient to establish an applicant's eligibility, the matter will be escalated to supervisory personnel at the Company's corporate headquarters.¹⁴

De-Enrollment for Ineligibility. If the Company has a reasonable basis to believe that one of its Lifeline subscribers no longer meets the eligibility criteria, the Company will notify the subscriber of impending termination in writing and in compliance with any state dispute resolution procedures applicable to Lifeline termination, and give the subscriber 30 days to demonstrate continued eligibility.¹⁵ A demonstration of eligibility must comply with the annual verification procedures below and found in new rule section 54.410(f), including the submission of a certification form.

¹³ See *Lifeline Reform Order*, ¶101; sections 54.410(b)(1)(ii), 54.410(c)(1)(ii).

¹⁴ See *id.*

¹⁵ See *Lifeline Reform Order*, ¶ 143; section 54.405(e)(1).

C. Subscriber Certifications for Enrollment

The Company will implement certification policies and procedures that enable consumers to demonstrate their eligibility for Lifeline assistance to Company personnel as detailed in the *Lifeline Reform Order*, together with any additional state certification requirements.¹⁶ The Company shares the Commission's concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein, with the belief that these procedures will prevent the Company's customers from engaging in such abuse of the program, inadvertently or intentionally. Every applicant will be required to complete an application/certification form containing disclosures, and collecting certain information and certifications as discussed below.¹⁷ Applicants that seek to enroll based on income eligibility will be referred to a worksheet showing the Federal Poverty Guidelines by household size.¹⁸ Applicants that do not complete the form in person will be required to return the signed application/certification to the Company by mail, facsimile, electronic mail or other electronic transmission. In addition, Company personnel will verbally explain the certifications to consumers when they are enrolling in person or over the phone.¹⁹

Disclosures. The Company's application and certification forms will include the following disclosures: (1) Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being

¹⁶ *Lifeline Reform Order*, ¶ 61; section 54.410(a).

¹⁷ See Model Application/Certification Form, included as Exhibit A. See Compliance Plan Public Notice at 3.

¹⁸ See Income Eligibility Worksheet, included as Exhibit B.

¹⁹ See *Lifeline Reform Order*, ¶ 123.

barred from the program; (2) only one Lifeline service is available per household; (3) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses; (4) a household is not permitted to receive Lifeline benefits from multiple providers; (5) violation of the one-per-household limitation constitutes a violation of the Commission's rules and will result in the applicant's de-enrollment from the program; and (6) Lifeline is a non-transferable benefit and the applicant may not transfer his or her benefit to any other person.²⁰

Applications and certification forms will also state that: (1) the service is a Lifeline service, (2) Lifeline is a government assistance program, and (3) only eligible consumers may enroll in the program.²¹

In addition, the Company will notify the applicant that the prepaid service must be personally activated by the subscriber and the service will be deactivated and the subscriber de-enrolled if the subscriber does not use the service for 60 days.²²

Information Collection. The Company will also collect the following information from the applicant in the application/certification form: (1) the applicant's full name; (2) the applicant's full residential address (P.O. Box is not sufficient²³); (3) whether the applicant's residential address is permanent or temporary; (4) the applicant's billing address, if different from the applicant's residential address; (5) the applicant's date of birth; (6) the last four digits of the applicant's Social Security number (or the applicant's

²⁰ See *id.*, ¶ 121; section 54.410(d)(1).

²¹ See section 54.405(c).

²² See *Lifeline Reform Order*, ¶ 257.

²³ See *Lifeline Reform Order*, ¶ 87.

Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a Social Security number); (7) if the applicant is seeking to qualify for Lifeline under the program-based criteria, the name of the qualifying assistance program from which the applicant, his or her dependents, or his or her household receives benefits; and (8) if the applicant is seeking to qualify for Lifeline under the income-based criterion, the number of individuals in his or her household.²⁴

Applicant Certification. Consistent with new rule section 54.410(d)(3), the Company will require the applicant to certify, under penalty of perjury, in writing or by electronic signature or interactive voice response recording,²⁵ the following: (1) the applicant meets the income-based or program-based eligibility criteria for receiving Lifeline; (2) the applicant will notify the Company within 30 days if for any reason he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the applicant no longer meets the income-based or program-based criteria for receiving Lifeline support, the applicant is receiving more than one Lifeline benefit, or another member of the applicant's household is receiving a Lifeline benefit; (3) if the applicant is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands; (4) if the applicant moves to a new address, he or she will provide that new address to the Company within 30 days; (5) if the applicant provided a temporary residential address to the Company, the applicant will be required to verify his or her temporary residential address every 90 days; (6) the applicant's household will receive only one Lifeline service and, to the best of the applicant's knowledge, the applicant's household is not already receiving a Lifeline service; (7) the information contained in the

²⁴ See section 54.410(d)(2).

²⁵ See *Lifeline Reform Order*. ¶¶ 168-69; section 54.419.

applicant's certification form is true and correct to the best of the applicant's knowledge; (8) the applicant acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and (9) the applicant acknowledges that the applicant may be required to re-certify his or her continued eligibility for Lifeline at any time, and the applicant's failure to re-certify as to the applicant's continued eligibility will result in de-enrollment and the termination of the applicant's Lifeline benefits pursuant to the de-enrollment policy included below and in the Commission's rules.

In addition, the applicant will be required to authorize the Company to access any records required to verify the applicant's statements on the application/certification form and to confirm the applicant's eligibility for the Company Lifeline credit. The applicant must also authorize the Company to release any records required for the administration of the Company Lifeline credit program, including to USAC to be used in a Lifeline program database.²⁶

D. Annual Verification Procedures

The Company will annually re-certify all subscribers by querying the appropriate eligibility databases or obtaining a signed certification from each subscriber consistent with the certification requirements above and new section 54.410(d) of the Commission's rules. This certification will include a confirmation that the applicant's household will receive only one Lifeline service and, to the best of the subscriber's knowledge, the

²⁶ See Section 54.404(b)(9). The application/certification form will also describe the information that will be transmitted, that the information is being transmitted to USAC to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service. See *id.*

subscriber's household is receiving no more than one Lifeline service.²⁷ Further, the verification materials will inform the subscriber that he or she is being contacted to re-certify his or her continuing eligibility for Lifeline and if the subscriber fails to respond, he or she will be de-enrolled in the program.²⁸

2012 Verification. Blue Jay does not currently have any Lifeline customers. In the (unlikely) event that the Company has any Lifeline subscribers as of June 1, 2012, the Company will re-certify the eligibility of each of its existing subscribers as of June 1, 2012 on a rolling basis by the end of 2012 and report the results to USAC by January 31, 2013.²⁹ The Company will contact its subscribers via text message to their Lifeline supported telephone, or by mail, phone, email or other Internet communication. The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact the Company.

Verification De-Enrollment. The Company will de-enroll subscribers that do not respond to the annual verification or fail to provide the required certification.³⁰ The Company will give subscribers 30 days to respond to the annual verification inquiry. If the subscriber does not respond, the Company will send a separate written notice explaining that failure to respond within 30 days will result in the subscriber's de-enrollment from the Lifeline program. If the subscriber does not respond within 30 days, the Company will de-enroll the subscriber within five business days.

²⁷ See *Lifeline Reform Order*, ¶ 120.

²⁸ See *id.*, ¶ 145.

²⁹ See *id.*, ¶ 130.

³⁰ See *id.*, ¶ 142; section 54.54.405(e)(4).

E. Activation and Non-Usage

The Company will not consider a prepaid subscriber activated, and will not seek reimbursement for Lifeline for that subscriber, until the subscriber activates the Company's prepaid service by completing an outbound call. An outbound call must be made in order for the service to be activated and for Blue Jay to seek Lifeline reimbursement for that customer. For phones sold in-person, the customer must complete an outbound call in front of the representative upon taking possession of the phone in order to complete the enrollment process. In the event phones are mailed to the customer's address, the customer must dial an activation code which will connect them to a customer service representative. The customer then has to provide the customer service representative with identification information and confirm Lifeline service was ordered.

In addition, after service activation, the Company will provide a de-enrollment notice to subscribers that have not used their service for 60 days. After 60 days of non-use, the Company will provide notice to the subscriber that failure to use the Lifeline service within a 30-day notice period will result in de-enrollment.³¹ Subscribers can "use" the service by: (1) completing an outbound call; (2) purchasing minutes from the Company to add to the subscriber's plan; (3) answering an incoming call from a party other than the Company; or (4) responding to a direct contact from the Company and confirming that the subscriber wants to continue receiving the service.³²

If the subscriber does not respond to the notice, the subscriber will be de-enrolled and the Company will not request further Lifeline reimbursement for the subscriber. The

³¹ *See Lifeline Reform Order*, ¶ 257; section 54.405(e)(3).

³² *See Lifeline Reform Order*, ¶ 261; section 54.407(c)(2).

Company will report annually to the Commission the number of subscribers de-enrolled for non-usage by month.³³

F. Additional Measures to Prevent Waste, Fraud and Abuse

To supplement its verification and certification procedures, and to better ensure that customers understand the Lifeline service restrictions with respect to duplicates, the Company will implement measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. These measures entail additional emphasis in written disclosures as well as live due diligence.

In addition to checking the database when it becomes available, Company personnel will emphasize the “one Lifeline phone per household” restriction in their direct sales contacts with potential customers. Training materials will include a discussion of the limitation to one Lifeline phone per household, and the need to ensure that the customer is informed of this restriction. All Company personnel interacting with existing and potential Lifeline customers will undergo training regarding the eligibility and certification requirements in the *Lifeline Reform Order* and this Compliance Plan.

Blue Jay Company personnel that will interact with existing and potential Lifeline customers will be required to complete a rigorous training program upon commencing employment and prior to performing other duties for the Company. During this program, Company personnel are thoroughly trained on compliance practices, policies and procedures including, among other areas, a thorough training on the enrollment process. For example, Company personnel that will perform customer enrollment are trained on how to use the Company’s office support systems, to read aloud the appropriate

³³ See *Lifeline Reform Order*, ¶ 257; section 54.405(e)(3).

disclosures to prospective customers such as the “one-per-household” and activation and non-usage requirement disclosures, request additional documentation proving identity and address verification and what constitutes proof of eligibility, among other important practices.

Company personnel are also trained to display Blue Jay approved marketing materials and banners and wear Blue Jay branded t-shirts with name badges and pictures when performing in-person enrollment. Blue Jay will have a designated employee compliance training manager who is accessible to Company personnel for questions after training. Company personnel are also trained what to do in the event they suspect fraud or any violation. The Company has a whistleblower policy for Company personnel to immediately report any violation of compliance policies and procedures. If Company personnel violates any of the Company’s or program’s compliance policies and procedures, the terms and conditions of his or her employee or vendor agreement, or engages in any illegal, fraudulent, deceptive, or unethical business conduct, Blue Jay will invoke immediate disciplinary action and may contact appropriate authorities.

Database. When the National Lifeline Accountability Database (“National Database”) becomes available, the Company will comply with the requirements of new rule section 54.404. The Company will query the National Database to determine whether a prospective subscriber is currently receiving a Lifeline service from another ETC and whether anyone else living at the prospective subscriber’s residential address is currently receiving Lifeline service.³⁴

³⁴ See *Lifeline Reform Order*, ¶ 203. Company will also transmit to the National Database the information required for each new and existing Lifeline subscriber. See *Lifeline Reform Order*, ¶¶ 189-195; section 54.404(b)(6). Further, Company

One-Per-Household. The Company will implement the requirements of the *Lifeline Reform Order* to ensure that it provides only one Lifeline benefit per household³⁵ through the use of its application and certification forms discussed above, database checks and its marketing materials discussed below. Upon receiving an application for the Company's Lifeline service, the Company will search its own internal records to ensure that it does not already provide Lifeline-supported service to someone at the same residential address.³⁶ If so, and the applicant lives at an address with multiple households, the Company will require the applicant to complete and submit a written USAC document containing the following: (1) an explanation of the Commission's one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant's household and share in the household's expenses or benefit from the applicant's income, pursuant to the Commission's definition; and (4) the penalty for a consumer's failure to make the required

will update each subscriber's information in the National Database within ten business days of any change, except for de-enrollment, which will be transmitted within one business day. See section 54.404(b)(8),(10).

³⁵ A "household" is any individual or group of individuals who are living together at the same address as one economic unit. A household may include related and unrelated persons. An "economic unit" consists of all adult individuals contributing to and sharing in the income and expenses of a household. An adult is any person eighteen years or older. If an adult has no or minimal income, and lives with someone who provides financial support to him/her, both people shall be considered part of the same household. Children under the age of eighteen living with their parents or guardians are considered to be part of the same household as their parents or guardians. See *Lifeline Reform Order*, ¶ 74; section 54.400(h).

³⁶ See *Lifeline Reform Order*, ¶ 78.

one-per-household certification (*i.e.*, de-enrollment).³⁷ Further, if a subscriber provides a temporary address on his or her application/certification form collected as described above, the Company will verify with the subscriber every 90 days that the subscriber continues to rely on that address.³⁸

In addition, Company personnel will inform each Lifeline applicant that he or she may be receiving Lifeline support under another name, and facilitate the applicant's understanding of what constitutes "Lifeline-supported services," and ability to determine whether he or she is already benefiting from Lifeline support, by informing the consumer that all Lifeline services may not be currently marketed under the name Lifeline. Blue Jay will also ask each customer whether they are receiving Lifeline service from one of the other major Lifeline providers in the state (*e.g.*, SafeLink, Assurance). Finally, at the time of enrollment, Blue Jay will check each applicant against a pooled duplicates database established by CGM, LLC.

Marketing Materials. Within the deadline provided in the *Lifeline Reform Order*, the Company will include the following information regarding its Lifeline service on all marketing materials describing the service: (1) it is a Lifeline service, (2) Lifeline is a government assistance program, (3) the service is non-transferable, (4) only eligible consumers may enroll in the program, (5) the program is limited to one discount per household; (6) that documentation is necessary for enrollment; (7) Blue Jay's name (the ETC); and (8) the Company's application/certification form will state that consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by

³⁷ *Id.* The USAC worksheet is available at <http://www.usac.org/li/tools/news/default.aspx#582>.

³⁸ See *Lifeline Reform Order*, ¶ 89.

fine or imprisonment or can be barred from the program.³⁹ These statements will be included in all print, audio video and web materials (including social networking media) used to describe or enroll customers in the Company's Lifeline service offering, as well as the Company's application forms and certification forms.⁴⁰ This specifically includes the Company's website (www.bluejaywireless.com) and outdoor signage.⁴¹ A sample of the Company's marketing materials is included as Exhibit C.

G. Company Reimbursements From the Fund

To ensure that the Company does not seek reimbursement from the Fund without a subscriber's consent, the Company will certify, as part of each reimbursement request, that it is in compliance with all of the Commission's Lifeline rules and, to the extent required, has obtained valid certification and verification forms from each of the subscribers for whom it is seeking reimbursement.⁴² Further, the Company will submit its FCC Forms 497 to the eighth day of each month in order to be reimbursed the same month.⁴³

In addition, the Company will keep accurate records as directed by USAC⁴⁴ and as required by new section 54.417 of the Commission's rules. For example, Blue Jay will keep the following records for each subscriber's individual Lifeline account, among other records, if applicable and as permitted: 1) date that Blue Jay queried the duplicates database; 2) date and information that Blue Jay transmitted to the duplicates database; 3)

³⁹ See *Lifeline Reform Order*, ¶ 275; section 54.405(c).

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² See *Lifeline Reform Order*, ¶ 128; section 54.407(d).

⁴³ See *Lifeline Reform Order*, ¶¶ 302-306.

⁴⁴ See section 54.407(e).

date of transmission of updated customer information to database; 4) date and database upon which the ETC determined income-based eligibility where available; 5) date and documentation/data source used to determine income-based eligibility if no database was available to determine subscriber eligibility;⁴⁵ 6) date, database, and program on which ETC determined subscriber eligibility; 7) date and records detailing the documentation a subscriber provided to demonstrate Lifeline eligibility; 8) state Lifeline administrator documentation of customer eligibility, and subscriber's certification of eligibility; 9) date of customer service activation; 10) application/certification and annual re-certification forms for each subscriber associated with a date and time of signature; and 11) date of transmission of customer de-enrollment to database.

H. Annual Company Certifications

The Company will submit an annual certification to USAC, signed by a Company officer under penalty of perjury, that the Company: (1) has policies and procedures in place to review consumers' documentation of income- and program-based eligibility and ensure that its Lifeline subscribers are eligible to receive Lifeline services;⁴⁶ (2) is in compliance with all federal Lifeline certification procedures;⁴⁷ and (3) has obtained a valid certification form for each subscriber for whom the carrier seeks Lifeline reimbursement.⁴⁸

In addition, the Company will provide the results of its annual re-certifications/verifications on an annual basis to the Commission, USAC, the applicable state commission and the relevant Tribal governments (for subscribers residing on Tribal

⁴⁵ Such documentation includes the documentation listed in Section I.B. *supra*.

⁴⁶ See *Lifeline Reform Order*, ¶ 126; section 54.416(a)(1).

⁴⁷ See *Lifeline Reform Order*, ¶ 127; section 54.416(a)(2).

⁴⁸ See section 54.416(a)(3).

lands).⁴⁹ Further, as discussed above, the Company will report annually to the Commission the number of subscribers de-enrolled for non-usage by month.⁵⁰

The Company will also annually report to the Commission, USAC, and relevant state commissions and the relevant authority in a U.S. territory or Tribal government as appropriate,⁵¹ the company name, names of the company's holding company, operating companies and affiliates, and any branding (such as a "dba" or brand designation) as well as relevant universal service identifiers for each entity by Study Area Code.⁵² The Company will report annually information regarding the terms and conditions of its Lifeline plans for voice telephony service offered specifically for low-income consumers during the previous year, including the number of minutes provided and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.⁵³ Finally, the Company will annually provide detailed information regarding service outages in the previous year, the number of complaints received and certification of compliance with applicable service quality standards and consumer protection rules, as well as a certification that the Company is able to function in emergency situations.⁵⁴

I. Cooperation with State and Federal Regulators

The Company has cooperated and will continue to cooperate with federal and state regulators to prevent waste, fraud and abuse. More specifically, the Company will:

⁴⁹ See *Lifeline Reform Order*, ¶¶ 132,148; section 54.416(b).

⁵⁰ See *Lifeline Reform Order*, ¶ 257; section 54.405(e)(3).

⁵¹ See section 54.422(c).

⁵² See *Lifeline Reform Order*, ¶¶ 296, 390; section 54.422(a).

⁵³ See *Lifeline Reform Order*, ¶ 390; section 54.422(b)(5).

⁵⁴ See *Lifeline Reform Order*, ¶ 389; section 54.422(b)(1)-(4).

- Make available state-specific subscriber data, including the names and addresses of Lifeline subscribers, to USAC and to each state public utilities commission where the Company operates for the purpose of determining whether an existing Lifeline subscriber receives Lifeline service from another carrier;⁵⁵
- Assist the Commission, USAC, state commissions, and other ETCs in resolving instances of duplicative enrollment by Lifeline subscribers, including by providing to USAC and/or any state commission, upon request, the necessary information to detect and resolve duplicative Lifeline claims;
- Promptly investigate any notification that it receives from the Commission, USAC, or a state commission to the effect that one of its customers already receives Lifeline services from another carrier; and
- Immediately de-enroll any subscriber whom the Company has a reasonable basis to believe⁵⁶ is receiving Lifeline-supported service from another ETC or is no longer eligible – whether or not such information is provided by the Commission, USAC, or a state commission.

II. Description of Lifeline Service Offerings⁵⁷

The Company will offer its Lifeline service in the states where it is designated as an ETC⁵⁸ and throughout the coverage area of the Sprint Nextel and Verizon Wireless footprints. Blue Jay purchases wireless minutes from an intermediary, Natel Networks, which purchases wholesale minutes from Sprint Nextel and Verizon Wireless. Blue Jay's Lifeline offering will provide all non-Tribal customers with the option to choose a plan with 250 anytime prepaid minutes per month at no charge. Tribal customers will all have

⁵⁵ The Company anticipates that the need to provide such information will sunset following the implementation of the national duplicates database.

⁵⁶ See section 54.405(e)(1).

⁵⁷ See Compliance Plan Public Notice at 3.

⁵⁸ The Company is not yet designated as an ETC in any states, but it filed a petition for ETC designation in Alabama, Connecticut, Delaware, the District of Columbia, Florida, New Hampshire, New York, North Carolina, Tennessee and Virginia with the Commission on May 21, 2012, and an application for ETC designation in Oklahoma on June 6, 2012. The Company intends to file additional petitions shortly.

the option to choose an unlimited plan. 611 customer service and 911 emergency calls will all be free, regardless of service activation or availability of minutes, and will not count against the customer's airtime. All plans will include domestic long-distance at no extra per minute charge. Directory assistance calls (411) will be free, however, they will count as airtime minutes of usage. Lifeline customers can purchase additional bundles of minutes for as low as \$0.05/minute depending on the minute package purchased. For example, customers can purchase a 200 minute package for \$10.00. Airtime "top-up" minutes will be available for purchase at the Company's retail locations and on its website.

The Company will offer two basic Lifeline service packages throughout all of its service territories, except for Tribal areas where the Company will offer two plans that are only available to Tribal residents. The Company's basic Lifeline programs are listed below.

Lifeline Free Plan 125. Each month the customer will receive 125 free anytime voice minutes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text messages. Unused minutes will rollover from month to month. This plan will be available in all states where the Company offers service except in Tribal areas.

Lifeline Free Plan 250. Each month the customer will receive 250 free anytime voice minutes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text messages. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration

date. This plan will be available in all states where the Company offers service except in Tribal areas.⁵⁹

Tribal Resident Lifeline Unlimited Plan. Each month the customer will receive unlimited anytime voice minutes for \$5.00 per month plus fees and taxes. Text messaging will not be available with the unlimited talk plan. There are no rollover minutes with this plan as minutes are unlimited. This plan will only be available to Tribal residents.

Tribal Resident Lifeline 1000 Plan. Each month the customer will receive 1,000 anytime voice minutes or 1,000 text messages for \$1.00 per month plus fees and taxes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text messages. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration date. This plan will only be available to Tribal residents.

Additionally, customers can select either a free wireless handset or purchase an upgraded phone, such as a smartphone. For those customers choosing to upgrade to a smartphone, data can be added to any phone plan starting at \$1.25 per megabyte – a price that can be reduced on a “per megabyte” basis when the customer purchases multiple megabytes of data. The Company will also allow low-income customers to add affordable data usage to their free voice/text minutes thereby supporting greater smartphone utilization, consistent with the Commission’s goal of promoting broadband access to all Americans. Additional information regarding the Company’s plans, rates and services can be found on its website www.bluejaywireless.com.

⁵⁹ Lifeline customers can add \$5.00 per month to get 500 total anytime minutes or \$20.00 per month to get 1,000 total anytime minutes plus 1,000 texts.

III. Demonstration of Financial and Technical Capabilities and Certifications Required for ETC Designation⁶⁰

Financial and Technical Capabilities. Revised Commission rule 54.202(a)(4), 47 C.F.R. 54.202(a)(4), requires carriers petitioning for ETC designation to demonstrate financial and technical capability to comply with the Commission's Lifeline service requirements.⁶¹ The Compliance Plan Public Notice requires that carriers' compliance plan include this demonstration. Among the factors the Commission will consider are: a carrier's prior offering of service to non-Lifeline subscribers, the length of time the carrier has been in business, whether the carrier relies exclusively on Lifeline reimbursement to operate, whether the carrier receives revenues from other sources and whether the carrier has been the subject of an enforcement action or ETC revocation proceeding in any state.

Through its affiliates, Blue Jay has provided marketing services including to low-income customers since 2004. One of the Company's affiliates, Splash Media, LP, is among the largest providers of full-service social media marketing services in the world. Another affiliate, Link Distributors, LLC, is a leading distributor of wireless handsets and Lifeline enrollment for ETCs. Both businesses have substantial revenues with a long-term profitability, are in good standing with all of their vendors and have been providing customers with services for a combined nine years. As a core part of its marketing strategy, Blue Jay will be actively marketing to non-Lifeline customers targeting the prepaid, credit challenged and underbanked sector, and, consequently, will not be relying exclusively on Lifeline reimbursement for the Company's operating revenues. Blue Jay also has access to other financial resources including substantial cash reserves from its

⁶⁰ See Compliance Plan Public Notice at 3.

⁶¹ See *Lifeline Reform Order*, ¶¶ 387-388 (revising Commission rule 54.202(a)(4)).

owners. The Company has not been subject to enforcement sanctions or ETC revocation proceedings in any state.

Service Requirements Applicable to Company's Support. The Compliance Plan Public Notice requires carriers to include "certifications required under newly amended section 54.202 of the Commission's rules."⁶² The Company certifies that it will comply with the service requirements applicable to the support the Company receives.⁶³ The Company will provide all of the telecommunications service supported by the Lifeline program and will make the services available to all qualified consumers throughout the states in which it is designated as an ETC. The Company's services will include voice telephony services that provide voice grade access to the public switched network or its functional equivalent. Further, the Company's service offerings will provide its customers with a set number of minutes of use for local service at no charge to the customer. The Company's proposed Lifeline offerings include packages in Section II *supra* that can be used for local and domestic toll service.

The Company also will provide access to emergency services provided by local government or public safety officials, including 911 and E911 where available and will comply with any Commission requirements regarding E911-compatible handsets. As discussed above, the Company will comply with the Commission's forbearance grant conditions relating to the provision of 911 and E911 services and handsets.

Finally, the Company will not provide toll limitation service ("TLS"). Blue Jay, like most wireless carriers, does not differentiate domestic long distance toll usage from local usage and all usage is paid for in advance. Pursuant to the *Lifeline Reform Order*,

⁶² Compliance Plan Public Notice at 3.

⁶³ 47 C.F.R. § 54.202(a)(1).

subscribers to such services are not considered to have voluntarily elected to receive TLS.⁶⁴

IV. Conclusion

Blue Jay submits that its Compliance Plan fully satisfies the conditions set forth in the Commission's *Lifeline Reform Order*, the Compliance Plan Public Notice and the Lifeline rules. Accordingly, the Company respectfully requests that the Commission expeditiously approve its Compliance Plan.

Respectfully submitted,



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Counsel to Blue Jay Wireless, LLC

July 5, 2012

⁶⁴ See *Lifeline Reform Order*, ¶ 230.

EXHIBIT A



Blue Jay Wireless, LLC
[State] Wireless Lifeline Service Application and Certification

Mail or fax form completed and signed form to:
5010 Addison Circle Addison, TX 75001
Fax XXX-XXX-XXXX / Customer Service: X-XXX-XXX-XXXX

A complete and signed Lifeline Service Application and Certification ("Certification") is required to enroll you in Blue Jay Wireless, LLC's ("the Company's") Lifeline service program in your state. This Certification is only for the purpose of verifying your eligibility for Lifeline service and will not be used for any other purpose. Service requests will not be processed until this Form has been received and verified by Company.

One Lifeline service per household disclosures: Lifeline is a government assistance program and willfully making false statements to obtain a Lifeline benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Lifeline benefits are limited to a single line of service per household. A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses. A household may not receive multiple Lifeline discounts. You may apply your Lifeline discount to either one landline or one wireless number, but you cannot have the discount on both and you cannot receive Lifeline benefits from multiple providers. Note that not all Lifeline services are currently marketed under the name Lifeline. Lifeline is a non-transferable benefit and you may not transfer your benefit to any other person, including another eligible low-income consumer. Violation of the one-per-household limitation constitutes a violation of the Federal Communications Commission's rules and will result in your de-enrollment from the program, and potentially prosecution by the United States Government.

☐ I hereby certify that I have read and understood the disclosures listed above and that, to the best of my knowledge, my household is not already receiving a Lifeline service benefit.

Customer eligibility certification: I hereby certify that I participate in at least one of the following programs (check one):

- | | |
|---|--|
| <input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP) | <input type="checkbox"/> Income at or below 135% of Federal Poverty Guidelines |
| <input type="checkbox"/> Section 8 Federal Public Housing Assistance (FPHA) | <input type="checkbox"/> Food Distribution Program on Indian Reservations (FDPIR) |
| <input type="checkbox"/> Medicaid (not Medicare) | <input type="checkbox"/> Bureau of Indian Affairs General Assistance (BIA) |
| <input type="checkbox"/> Supplemental Security Income (SSI) | <input type="checkbox"/> Tribally Administered TANF (TATNF) |
| <input type="checkbox"/> Temporary Assistance for Needy Families (TANF) | <input type="checkbox"/> Head Start (meeting income qualifying standards) (Tribal) |
| <input type="checkbox"/> Low Income Home Energy Assistance Program (LIHEAP) | |
| <input type="checkbox"/> National School Lunch Program's free lunch program | |

Tribal eligibility:

☐ I hereby certify that I reside on Federally-recognized Tribal lands.

Customer Application Information:

First Name: _____ Middle Name: _____ Last Name: _____
Date of Birth: Month: ____ Day: ____ Year: ____ Last Four Digits of Social Security Number (or Tribal ID Number): ____
If Qualifying for Lifeline by Income, number of Individuals in Household: ____
Home Telephone Number (if available): _____

Residential Address (P.O. Box NOT sufficient)

Number: _____ Apt: _____ Street: _____ City: _____
State: _____ Zip Code: _____
Address is (choose one): ☐ Permanent ☐ Temporary

Billing Address (if different from Residential Address) (P.O. Box IS sufficient)

Number: _____ Apt: _____ Street: _____ City: _____
State: _____ Zip Code: _____

Multiple households sharing and address:

☐ I hereby certify that I reside at an address occupied by multiple households, including adults who do not contribute income to my household and/or share in my household's expenses, and I will complete a separate additional form.

Activation and usage requirement disclosures: This service is a prepaid service and you must personally activate it by calling [IVR call-in number]. To keep your account active, you must use your Lifeline service at least once during any 60 day period by completing an outbound call, purchasing additional minutes from Company, answering an in-bound call from someone other than Company, or by responding to a direct contact from Company confirming that you want to continue receiving Lifeline service from Company. If your service goes unused for 60 days, you will no longer be eligible for Lifeline benefits and your service will be suspended (allowing only 611 and 911 calls and calls to the Company's customer care center) subject to a 30 day cure period during which you may use the service (as described above) or contact the Company to confirm that you want to continue receiving Lifeline service from Company.

☐ I hereby certify that I have read and understood the disclosures listed above regarding activation and usage requirements.

Authorizations:

☐ I hereby authorize the Company to access any records required to verify my statements on this form and to confirm my eligibility for the Lifeline program. I also authorize the Company to release any records required for the administration of the Lifeline program (e.g., name, telephone number and address), including to the Universal Service Administrative Company, to be used in a Lifeline database and to ensure the proper administration of the Lifeline Program. Failure to consent will result in denial of service.

Additional certifications: I hereby certify, under penalty of perjury, that (check each box):

- ☐ I meet the income-based or program-based eligibility criteria for receiving Lifeline service and have provided documentation of eligibility if required
- ☐ I will notify the Company within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline including, as relevant, if I no longer meet the income-based or program-based eligibility criteria, I begin receiving more than one Lifeline benefit, or another member of my household is receiving a Lifeline benefit. I understand that I may be subject to penalties if I fail to follow this requirement
- ☐ I am not listed as a dependent on another person's tax return (unless over the age of 60)
- ☐ The address listed below is my primary residence, not a second home or business
- ☐ If I move to a new address, I will provide that new address to the Company within 30 days
- ☐ If I provided a temporary residential address to the Company, I will verify my temporary residential address every 90 days
- ☐ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law
- ☐ I acknowledge that I may be required to re-certify my continued eligibility for Lifeline at any time, and my failure to re-certify as to my continued eligibility within 30 days will result in de-enrollment and the termination of my Lifeline benefits
- ☐ The information contained in this certification form is true and correct to the best of my knowledge

Applicant's Signature: _____ **Date:** _____

For Agent Use Only (check the appropriate boxes for the proof of eligibility viewed and provide information requested; do not copy or retain documentation):

Documents Acceptable Proof for Income-Eligibility (check 1):

- ☐ The prior year's state, federal, or Tribal tax return,
- ☐ Current income statement from an employer or paycheck stub,
- ☐ A Social Security statement of benefits,
- ☐ A Veterans Administration statement of benefits,
- ☐ A retirement/pension statement of benefits,
- ☐ An Unemployment/Workmen's Compensation statement of benefits,
- ☐ Federal or Tribal notice letter of participation in General Assistance, or
- ☐ A divorce decree, child support award, or other official document containing income information for at least three months time.

List B - Choose 1:

- ☐ Program participation card/document
- ☐ Prior year's statement of benefits
- ☐ Notice letter of participation
- ☐ Other official document evidencing participation _____

Last 4 digits of Document from List B _____

Date of Proof Document: ____/____/____

Expiration Date of Proof Document: ____/____/____

Documents Acceptable Proof for Program-Eligibility (choose 1 from each list A and B below):

List A - Choose 1

- ☐ Supplemental Nutrition Assistance Program (SNAP)
- ☐ Medicaid
- ☐ Section 8 Federal Public Housing Assistance (FPHA)
- ☐ Supplemental Security Income (SSI)
- ☐ Temporary Assistance for Needy Families (TANF)
- ☐ Low Income Home Energy Assistance Program (LIHEAP)
- ☐ National School Lunch Program's free lunch program
- ☐ Food Distribution Program on Indian Reservations (FDPIR)
- ☐ Bureau of Indian Affairs General Assistance (BIA)
- ☐ Tribally Administered TANF (TATNF)
- ☐ Head Start (meeting income qualifying standards)

Applicant Account Number	Rep/Agent Signature

EXHIBIT B



Blue Jay Wireless, LLC Lifeline Service Application Income Eligibility Worksheet

Individuals in all states are able to enroll in the Lifeline program by demonstrating that their household's annual income is at or below 135% of the Federal Poverty Guidelines. This table should be used to determine whether a Lifeline applicant is eligible for Lifeline service based on the number of individuals in the applicant's household and the applicant's household annual income:

HOUSEHOLD SIZE	INCOME LEVEL
1	\$15,080
2	\$20,426
3	\$25,772
4	\$31,118
5	\$36,464
6	\$41,810
7	\$47,156
8	\$52,502
For each additional person	Add \$5,346

Applicants must list the number of individuals in the applicant's household on the Lifeline application form. Applicants seeking to qualify for Lifeline service based on their household income must present one of the following documents in order to prove eligibility:

- the prior year's state, federal, or Tribal tax return
- current income statement from an employer or paycheck stub
- a Social Security statement of benefits
- a Veterans Administration statement of benefits
- a retirement/pension statement of benefits
- an Unemployment/Workmen's Compensation statement of benefits
- Federal or Tribal notice letter of participation in General Assistance
- a divorce decree, child support award, or other official document containing income information for at least three months time

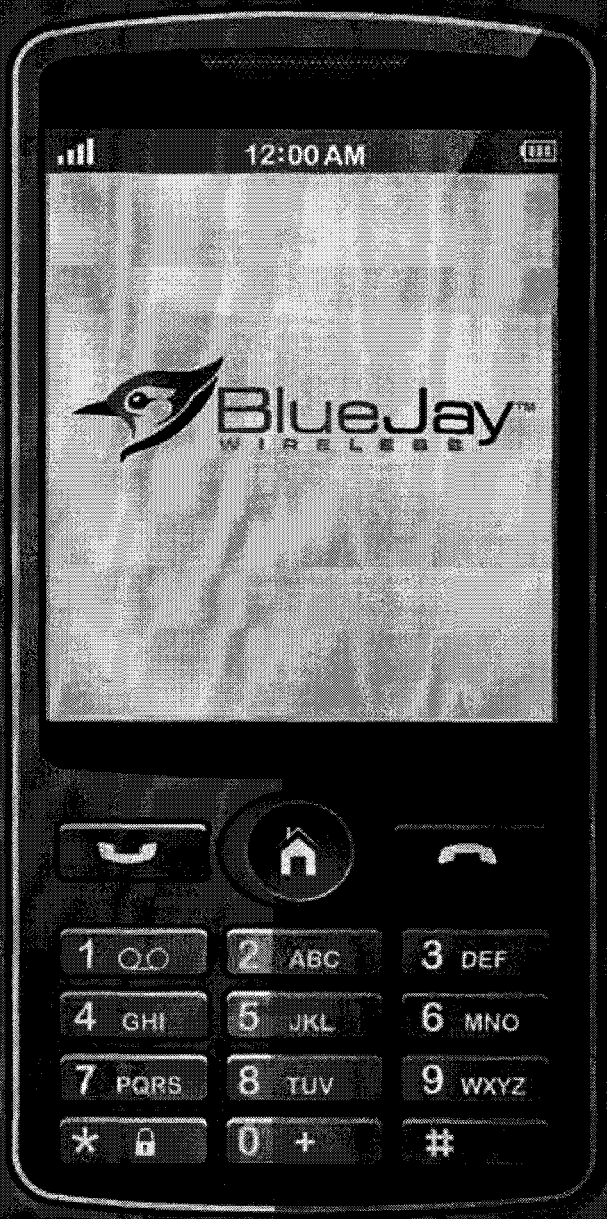
This is a Lifeline service provided by Blue Jay Wireless, LLC. Lifeline is a government assistance program. Only one Lifeline service is available per household. Households are not permitted to receive multiple Lifeline benefits whether they are from one or multiple companies, wireless or wireline. Proof of eligibility is required for enrollment and only eligible customers may enroll in Lifeline service. Consumers who willingly make false statements to obtain the benefit can be punished by fine or imprisonment or can be barred from the program. Lifeline is a non-transferable benefit. Lifeline customers may not transfer their benefits to any other person.

EXHIBIT C

250 FREE

Minutes Every Month!

500 & 1000 Minute Plans Also Available



**Must
qualify to
be eligible.**

- This is a Lifeline service provided by Blue Jay Wireless, LLC, which is an eligible telecommunications carrier.
- Lifeline is a government assistance program.
- Service is non-transferable.
- Only one Lifeline discount may be received per household.
- Only eligible consumers may enroll in the program.
- Consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the program.
- Customers must present proper documentation confirming eligibility for the Lifeline program through participation in Federal Public Housing Assistance, Food Stamps, Low-Income Home Energy Assistance Program (LIHEAP), Income below 135% of the Federal Poverty Guidelines, Medicaid, National School Lunch's Free Lunch Program, Supplemental Security Income (SSI), Temporary Assistance to Needy Families (TANF). Program Based Eligibility criteria varies by state. Proof of eligibility includes an eligible program card or statement of benefits.

www.BlueJayWireless.com